

21 AUG 1981

Mr. Ronald N. Mariotti
District Manager
Construction Management Division
Regional Public Buildings Service
General Services Administration
Washington, DC 20407

Dear Mr. Mariotti:

STAT This letter is in response to yours of 27 July 1981 concerning the emergency power project (GS-03B-61224). I am sorry that I was unable to attend the meeting, which I requested, at your office on 17 August 1981, but find that the report of results of that meeting attended by [redacted] of my staff and Messrs Huber, and Bolen of GSA to be satisfactory if the following understanding is correct:

a. The 18 September 1981 date will be viewed as a target date for completion of all outstanding or remaining items to be accomplished by the contractor. No new items are contemplated since the final generator is being connected the same as two adjacent units which have already been successfully incorporated into the presently operating system under this contract.

b. The contractor will be required to correct all deficiencies and omissions to the contract requirements by 18 September 1981 if possible, but he will continue to be responsible for such corrections until implemented.

c. The contractor will provide new or corrected "as-built" drawings although not necessarily by 18 September 1981.

The above conditions appear achievable although a full-scale power loss simulation will be required to verify proper total systems operation. The contractor will be allowed to test system increments not affecting the power to critical areas at his discretion. The full-scale operational test will be arranged at the earliest practical date but will not necessarily occur prior to 18 September 1981. If the need for significant adjustments are subsequently discovered during the operational test, it is understood that the contractor will participate in any necessary corrections. However, this Agency will, if necessary, accomplish reasonable levels of adjustments on its own in its continuing efforts to help complete this project.

OL 1 3536

Mr. Ronald N. Mariotti

The objective of this memorandum is to ensure that the Agency will receive a fully complete, functioning, and operational emergency power generating system through this contract. We are supportive of trying to achieve the target date of 18 September 1981 for the completion of this project. However, it is felt some reasonable flexibility should remain around this projected completion date for unexpected circumstances beyond the control of any of the participants. Accordingly, it is requested that you confirm the above understandings so that we may both proceed to a mutually supportive completion of this project.

Sincerely,

[Redacted Signature]

Chief, Real Estate and
Construction Division, OL

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OL/RECD [Redacted] (21 Aug 81) (Letterhead)

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 Chief, Real Estate and Construction
 Division, OL
 Central Intelligence Agency
 Washington, DC 20505

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29 JUL 1981

Numerous meetings and telephone conversations have occurred during the past two years concerning completion of the emergency power project (GS-03B-61224), at Headquarters Building, McLean, Virginia. The purpose of these meetings was to arrive at an expected completion date and resolve problems that would delay completion. The contractor's completion date is September 22, 1979, while substantial completion is currently expected in early September 1981. Cause of delay has been a disputed issue with the contractor, with responsibility attributed to several factors.

Current concern since January 1981, is delay to the project due solely to necessary revisions to the connection diagrams by the agency personnel and difficulties with interfacing between the Government supplied generators and the contract requirements. We both expected in January that work would be completed by June 1, 1981. Subsequently in May the date was revised to August 1, 1981, and now is expected to be early September 1981.

We have entered into a tentative agreement with the contractor for settlement of all claims through August 1, 1981 and directed him to maintain his forces at the site until that date. We must enter into another tentative agreement for the contractor to maintain his forces beyond the August 1 date.

Our primary concerns at this point are management of the project to avoid exposure of the Government to additional large claims, and avoid obligating the Government for amounts beyond the available funds. The system is sufficiently complex that there is no absolute assurance that revisions will not continue indefinitely, with the Government developing revised drawings and the contractor then revising connections.

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Mr. Hixon discussed with [REDACTED] extending the contractor's support from August 1, 1981, to September 18, 1981. Our extension would require no changes to the contract and obligate you to issue a contract for completion of the work beyond

OL 1-3171

September 18, 1981 if necessary. Funding for the project following that extension will be substantially exhausted.

Extensions of the contract beyond that point are not intended since funding will not be available and our tentative agreement with the contractor for settlement of all claims will be in jeopardy.

We regret the contemplation of terminating the contract prior to completion, but must contemplate that action due to the uncertain scope of work remaining to be performed with associated monetary exposure.

Your prompt response to the above is requested.

Sincerely,



RONALD N. MARIOTTI
District Manager